

# A Guide to Regular Bulk Sales

## “What is a Regular Bulk Sale?”

- A **sale of two or more copies** of an issue on a **regular contractual basis** (as defined by ABC rules).
- The sale of **at least 4 issues in a twelvemonth period for monthly titles**, or at least 12 issues in a twelve-month period for weekly titles (or all the issues if there are less than 4 in a year).
- These are usually copies sold to a third party who, for their own promotional purposes, will then distribute the copies **free to the final recipient**. i.e. copies *sold* to hotels which are put in rooms or left in the reception area to be picked up by guests, or copies *sold* to a third party newspaper publisher to insert as a promotional gift to newspaper purchasers.
- The publisher must be able to demonstrate that the copies were delivered and made available for pick-up or receipt by the target audience.

## “What other requirements/parameters should I be aware of?”

- The **quantity sold of any single issue must not differ by more than 20% or 50 copies** (whichever is higher) from the average quantity per issue supplied over the audit period.
- The **cover price** must be on or in every copy of every issue of the publication.
- The price paid per copy must be **at least 1p (net)**.
- Copies sold to “**related parties**” can not be claimed.
- **Net contribution must include any other costs involved in the transaction**, i.e., if a printer makes a charge for plate changes this would be included in the net receipt calculation.

## “What documents need to be retained for audit?”

- A **contract** between supplier and purchaser identifying:
  - Magazine title and relevant issue cover dates
  - Exact number of copies to be supplied per issue
    - Price per copy
    - Who the intended audience of the copies will be
- Copies of **invoices** and **proof of payment**.
- Distribution evidence

## “Are contra-deals allowed?”

- The sale must be bona fide and arms length whether sold direct by the publisher, through the newstrade or other third-party channels
- Copies must be excluded where the value of the copies is redeemed in cash, kind or by contra.
- If part of the value of the copies is redeemed in cash, kind or contra, resulting in the net contribution to the publisher falling below 1p per copy, then these copies must be excluded.
- Invoices raised by the purchaser of the magazine to the publisher for goods or services, which are related to the purchase of the magazine must be included in calculating the net contribution to the publisher.  
*e.g. Company A contracts to buy 1000 copies of every issue from Publisher X. Company A distributes the magazine and charges Publisher X for distribution or marketing fees. As the distribution and marketing has only been carried out as a result of the sale, the charges made by Company A must be taken into account when calculating the net contribution to the publisher.*
- **Contra deals on advertising are specifically unacceptable**,  
• *Publishers’ attention is drawn to ABC Rules 5.5.1 Related party transactions and 5.5.2 Contra transactions which could result in copies sold under bulk sales arrangements being disallowed for ABC purposes*

## “What information is included in the return form and certificate?”

- The price at which each copy was sold at is analysed in three bandings, relating to the cover price.
- Copies are also analysed by type of outlet: Airlines, Hotels, Trains, Other Publication Insert, Voucher Redemption, Sports Events, Leisure Centres, Food/Beverage Outlets, Others.

*This document is intended as a brief user-friendly guide to the topic. It is not intended as a replacement for, or interpretation of, the relevant ABC Reporting Standards. In all cases where this guide and rules may differ, the Reporting Standards prevail. See Consumer Magazines Reporting Standards Section 10.*

